



Legislative Report: State Contracting with Businesses Owned by Qualified Disabled Veterans, FY 2016

Required by section 18.1261(9) of Public Act 431 of 1984, as amended

Prepared for the
Michigan Legislature

Department of Technology, Management & Budget
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The Management and Budget Act (1984 PA 431, as amended) establishes (i) a goal for the department to award each year not less than 5% of its total expenditures for construction, goods, and services to service-disabled veteran-owned businesses (SDVOBs), and (ii) a price preference of up to 10% of the amount of the contract for qualified SDVOBs) when competing for state contracts.

This report illustrates the department's progress toward achieving the 5% goal and presents several data points and trends which show the progress made toward the goal.

The aggregate value of contracts awarded to SDVOBs as a percentage of expenditures for construction, goods, and services was **3.38% in FY 2016, up from 2.09% in FY 2015.**

The aggregate value of contract awards totaled **\$79,311,942** in FY 2016. This represents the best result since the act was implemented.

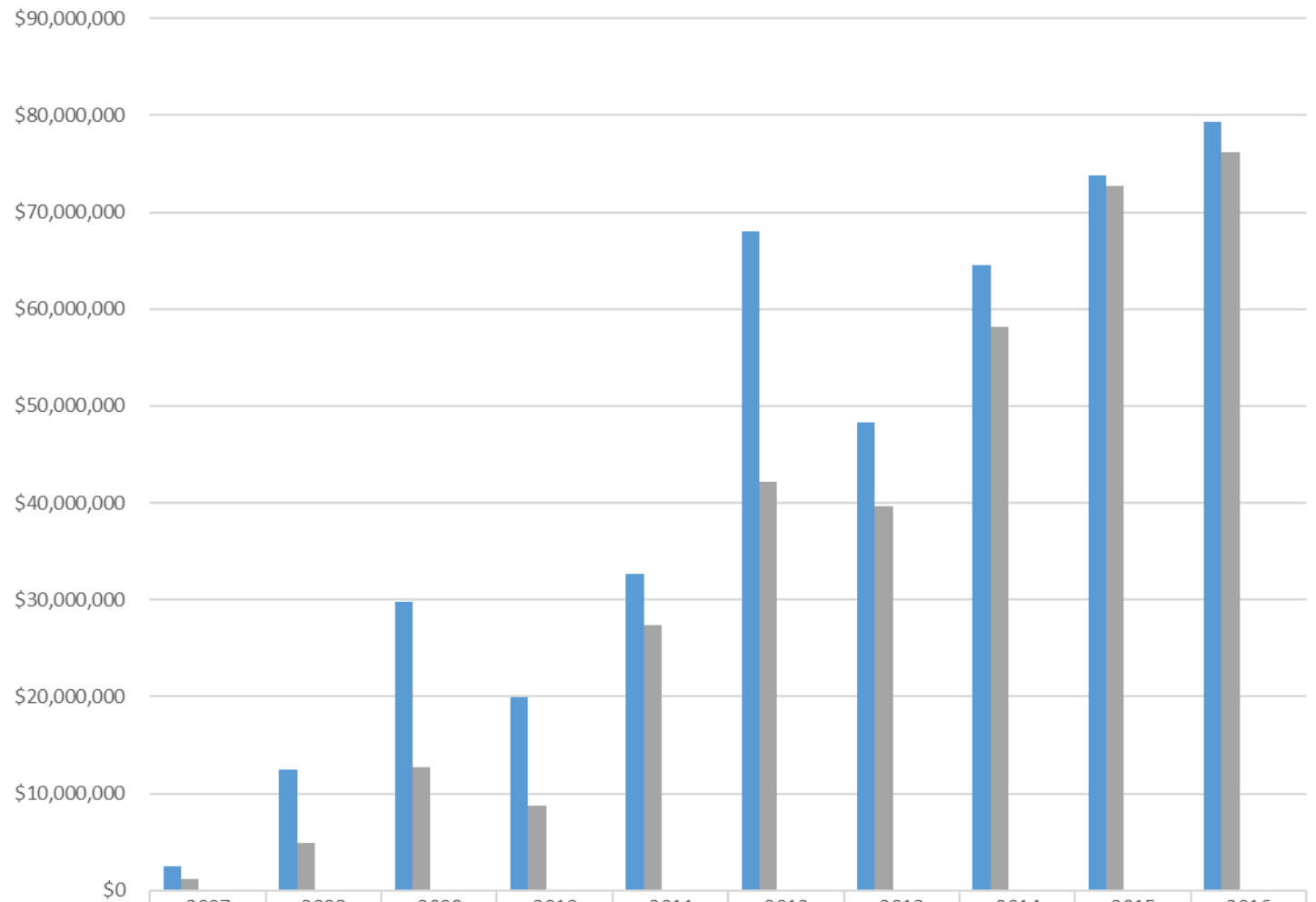
Total annual spend as a result of aggregate awards has grown from **\$1.1 Million in 2007 to over \$76 million in 2016**, the highest recorded since the law was passed.

The number of contracts awarded to SDVOBs was 270 compared with 350 in FY 2015. The number of bidders was slightly down from 79 in FY 2015 to 76 in FY 2016.

SDVOBs continue to win a large percentage of project awards for which they bid.

This report illustrates the significant progress which has been achieved in recent years, and the Department of Technology, Management & Budget recommends that outreach efforts to the service-disabled veteran-owned business community continue.

SDVOB Results 2007 to 2016



■ Dollar Value of Contracts (Actual)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
■ Dollar Value of Expenditures	\$2,481,631	\$12,510,075	\$29,780,178	\$19,942,998	\$32,659,724	\$68,066,906	\$48,306,060	\$64,541,923	\$73,801,598	\$79,311,942
■ Number of Contracts Bid on	\$1,160,611	\$4,871,232	\$12,761,261	\$8,733,156	\$27,441,206	\$42,177,017	\$39,683,555	\$58,109,274	\$72,684,751	\$76,160,847
■ Number of Contracts Awarded to Service-Disabled Vets	24	114	183	257	388	436	457	414	393	337
■ Number of Bidders	22	82	153	240	329	309	370	365	350	270
	10	36	41	96	64	83	82	73	79	76